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EXECUTIVE SUMMARY of the State of MONTANA CONSOLIDATED PLAN FY 1996

Helping Montana Communities:

- ▶ Housing
- ▶ Economic Development and
- ▶ Infrastructure

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Community Development Block Grant (CDBG) Program
HOME Investment Partnerships (HOME) Program
MONTANA Department of Commerce

Emergency Shelter Grant (ESG) Program
MONTANA Department of Public Health & Human Services

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EXECUTIVE SUMMARY

In response to regulations relating to three grant programs funded by the U.S. Department of Housing and Urban Development (HUD), the Montana Department of Commerce (MDOC) has completed a Consolidated Plan for FY 1996. The purpose of the Consolidated Plan (CP) is to merge the planning, application, reporting, and citizen participation components of the Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), and the Emergency Shelter Grant (ESG) formula programs. For the State of Montana, the Department of Commerce administers the CDBG and HOME programs, while the Department of Public Health and Human Services administers the ESG program.

The CP is designed to be used in the role of facilitating and providing guidance to individuals, communities and organizations that require information regarding the condition of housing and non-housing community development needs in Montana. The complete draft CP for FY 96 is available at public libraries throughout the state and will be in effect until 1999, unless earlier revision is necessary.

This Executive Summary has been developed to provide an overview of the Consolidated Plan for FY 96 and the implementation and operation of the three programs for the time period beginning April 1, 1996 and ending March 31, 1997. The three federally funded grant programs, CDBG, HOME and ESG, alone and in concert with one another, have four basic goals, as follows:

- ▶ Securing decent housing;
- ▶ Providing a suitable living environment;
- ▶ Expanding economic opportunities; and
- ▶ Assisting communities with their greatest community development needs, whether in the area of housing, economic development or public facilities.

The combination of an influx in population, economic restructuring, aging infrastructure, and falling real wage rates have had adverse effects on Montana's economic well-being. Because of these factors, the state is experiencing increases in the number of migrant or unsheltered persons, decaying public facilities, under-funded public services, and increasing demands in the supply of affordable housing. Each of these problems represent needs that must be addressed. The CP proposes specific objectives and actions for setting strategies, providing information, and addressing the state's housing, homeless, and non-housing community and economic development needs.

This summary is divided into an explanation of Montana's housing, homeless, economic development, and infrastructure needs. The needs identified far exceed the resources available from federal funds. However, the CDBG, HOME, and ESG programs are not the only resources available to meet the needs identified in the CP. Some of the needs are being met by other federal and state sources including the Montana Board of Housing programs, Federal Home Loan Bank, U.S.D.A., Rural and Economic Community Development, Community Housing Development Organizations, Montana

Department of Natural Resources and Conservation, Montana Department of Environmental Quality State Revolving Fund, private developers, and others.

The recent MDOC publication, *A Guide to Montana's Economic and Development and Community Development Programs* provides an overview of basic information highlighting sources of financial and technical assistance that are accessible throughout the state. An MDOC Housing Publication, *A Resource Directory* has also been developed that specifically lists housing and homeless programs and resources that are available to assist in implementing housing needs.

MONTANA'S HOUSING NEEDS

Housing needs include lack of affordable housing for all income categories, especially low to moderate income families. Housing needs can be broken down into the following components: housing shortages, rehabilitation of housing in poor condition, lead-based paint abatement, alterations to existing units for the physically handicapped, housing for special needs such as persons with mental illness, housing for the homeless, congregate care for the elderly, housing for families headed by a single parent, and housing needs for larger families.

The lack of affordable housing for very-low, low-, and moderate-income persons has risen in prominence as a national policy issue. Across the nation, it has affected individuals and families, young and old, whether homeowners or renters. Constraints on the housing market have spread to affect Montana households of all income categories. Overall, the cost of housing in Montana is accelerating at a far faster rate than housing nationally, with housing in cities such as Bozeman and Kalispell costing 20 percent more than the national average for comparable units. Housing shortages have driven monthly rental payments and housing purchase costs up sharply in the last few years. This leaves many people at potential risk of homelessness and places home ownership out of reach for many low- and moderate-income Montanans. Even though there is a great demand for low-cost housing, there has been little new construction of single-family or multifamily units for low- and moderate-income Montanans during the past several years.

Rehabilitation of the existing Montana housing stock is also a pressing issue. Many occupied units across the state are in poor condition because owners cannot afford maintenance costs. Elderly Montanans, in particular, who constitute the largest group of homeowners in the state, often lack the resources necessary to maintain their homes. The Montana CDBG program estimates that the current average cost of rehabilitation is about \$15,000 per home. Housing that stands vacant for long periods of time constitute an even greater rehabilitation problem. Often the cost of bringing housing up to a liveable standard is prohibitive. The cost-effectiveness of conducting rehabilitation activities is further affected by extra costs mandated by the federal Lead-Based Paint Hazard Reduction Act of 1992. Although well intended, such testing and abatement requirements may make a number of projects no longer cost-effective.

Alterations are also needed to make housing accessible to Montana's physically disabled population, some of whom currently live in inadequately equipped housing. However, accessibility is not only a problem for physically disabled people. Affordable housing is often not located in areas easily

accessible to stores, transportation, and jobs.

A number of groups in Montana have special needs linked to the provision of affordable housing. For homeless people, the disabled, families headed by single parents, and the elderly, there is a need for supportive services to facilitate independent living. Homeless persons in Montana are finding less room in some local shelters. Many existing facilities are simply not able to meet the growing need for emergency and transitional housing, especially for young adults or adolescents.

As reported by the 1990 Census, the elderly make up more than 17.5 percent of Montana's adult population and represent the largest group of homeowners in the state. Congregate care housing for this group, which fosters independent living while providing supportive services, will continue to be a compelling need.

Manufactured housing and mobile homes represent a more affordable housing alternative for many Montanans. However, many owners face restrictive zoning laws or practices in many areas. The challenge to state and local policy makers in Montana is to identify and implement equitable alternatives to current zoning and land-use regulations in order to make more affordable housing available to low- and moderate-income Montanans.

No single approach or unique housing priority fits all regions of Montana equally well. Acceptably addressing the range of severe needs, while allocating resources equitably, makes for a complicated housing (and community development) policy agenda. MDOC believes affordable housing deficiencies can be reduced through specific actions which are listed in the plan. The CP organizes these actions into four broad housing policy goals, as follows:

- ✓ Enhancing availability;
- ✓ Promoting affordability;
- ✓ Securing suitability; and,
- ✓ Enhancing accessibility of the housing stock.

These broad policy goals translate into the following set of objectives:

- Relieve the shortage of available housing stock;
- Increase the stock of affordable rental units, especially assisted units;
- Promote resources available to build an adequate number of affordable housing units;
- Increase ability of low- and moderate-income households to buy homes;
- Increase resources to finance housing maintenance, and improvements;
- Simplify housing assistance programs;
- Continue to ensure fair housing compliance;
- Secure adequate resources for persons requiring supportive and transitional services;
- Increase accessibility of Montana's housing stock;
- Increase energy efficiency in housing stock;
- Decrease housing environmental hazards;
- Increase ability of MDOC to provide technical assistance;
- Increase the supply of affordable rental units and for-purchase homes; and,
- Monitor affects of federal policies on the provision of affordable housing and rural development.

It is recognized that significant effort must be made to turn the tide of increasing housing difficulties. For the upcoming years, these actions will include:

- Promote the clearinghouse, maintained by the HOME program for housing and related services;
- Explore alternatives for local governments to promote affordable quality housing;
- Promote and distribute information on the Community Reinvestment Act to banks;
- Maintain current Montana Economic and Demographic Databook;
- Continue participation of fair housing compliance organizations in the CP development process;
- Use federal dollars to leverage private investment money;
- Continue support of grant/loan applications for assistance and expansion of suitable housing; and
- Continue promoting certification of nonprofit Community Housing Development Organizations.

PROGRAMS AVAILABLE TO MEET HOUSING NEEDS

The Community Development Block Grant (CDBG) program is a federally funded grant program designed to help communities with their greatest community development needs. All awarded program funds principally benefit low and moderate income families. The program was established by the federal Housing and Community Development Act of 1974. MDOC has administered the program in Montana since 1982.

CDBG awards have been matched by an equal expenditure of public and private funds for local projects, making possible millions of dollars of public and private investment reflected in construction activity and creating jobs for Montanans across the state. All projects that have been funded meet the goal of the CDBG program to develop viable communities by providing decent housing, healthful and safe living environments, and economic opportunities for persons of low and moderate income. As presently structured, the Montana CDBG program has three grant components - housing, economic development and public facilities. Typical eligible activities include the rehabilitation of existing housing units, providing infrastructure for the construction of new affordable housing or directly constructing new affordable housing under the sponsorship of a non-profit organization. The Department publishes application guidelines which contain full information for local governments seeking assistance from the CDBG program. Since 1982, the Montana CDBG program has provided over \$20 million for more than 54 housing projects across the state.

Another federal program is the HOME Investment Partnerships program established under the National Affordable Housing Act of 1990, and administered in the state by MDOC, Housing Division. HOME program funds are provided to eligible local governments and certified Community Housing Development Organizations (CHDOs) to expand the supply of decent, affordable housing for low-and very low-income families; build state and local capacity to design and carry out affordable housing programs; provide financial and technical assistance to participating jurisdictions including model programs development; and strengthen partnerships among all levels of government and the private sector in the development of affordable housing. The HOME application guidelines are published each year to assist local governments and certified CHDOs in preparing applications. Since 1991 the Montana HOME program has created or rehabilitated approximately 710 housing units and leveraged approximately \$35 million to housing for low and very low-income families.

Numerous other programs and resources at the State, Federal, local, and private level are available to assist in meeting Montana's housing needs. Specifically, a *Resource Directory* that lists housing programs to help meet the housing needs referred to earlier in this summary, is an excellent source of information for local governments, communities, and CHDO's to reference. Following are photographs showing completed projects that were financed through various funding sources including the Montana Board of Housing, CDBG, HOME, private contributions, local governments and Community Housing Development Organizations.

FERNWELL APARTMENTS



Reconstruction project of 36 units of affordable housing for very-low income families, located in Kalispell. Funding for this project came from several sources including the Montana Board of Housing Low-Income Housing Tax Credit program, the HOME Investment Partnerships program, Northwest Montana Human Resources, Inc., Glacier Bank and private developers.



Land Trust Unit

A typical single-family unit in the Bozeman Human Resource Development Council Land Trust project.



Land Trust Homes and Street

The Bozeman Human Resource Development Council Land Trust project was funded with Montana HOME funds, Human Resource Development Council, CDBG program, City of Bozeman, and First Bank of Bozeman.



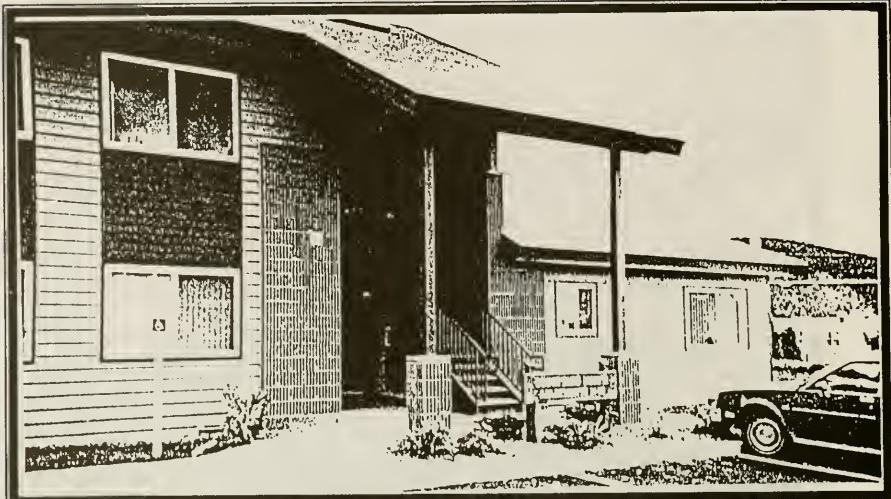
The "Dairykeep" Bozeman Interfaith Housing Project
A cooperative funding effort between Bozeman Interfaith
Housing Inc., the Montana HOME program, and the Montana Board
of Housing loan program. The project consists of nine units
of rental housing with guaranteed affordable rental rates.

SPRING GARDEN APARTMENTS
A HOUSING AUTHORITY OF BILLINGS
PROJECT
MADE POSSIBLE BY

ANDERSON ASSOCIATES ARCHITECTS

SPRING GARDEN APARTMENTS October, 1995

This housing project consists of building a multifamily housing apartment complex on the west end of Billings, Montana. Financing for this project was secured through a HOME grant (\$324,000), Housing Authority of Billings \$60,000 , Montana Board of Housing Multifamily Housing Program (\$93,803), and the Billings Community Development Block Grant Program (\$135,000).

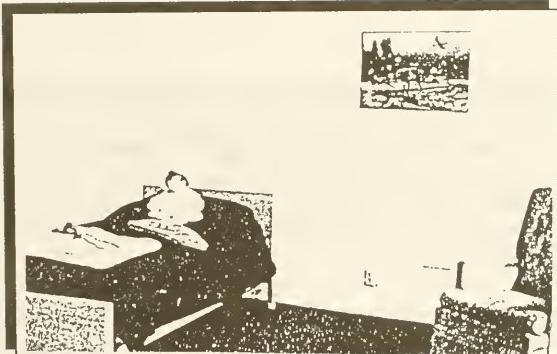


The Courtyard Affordable Housing Project, Kalispell, MT
Thirty-six units of affordable, rental housing. Funded with
Montana HOME program, Glacier National Bank, Montana Board of
Housing, Northwest Montana Human Resources, Montana CDBG
program, and City of Kalispell.

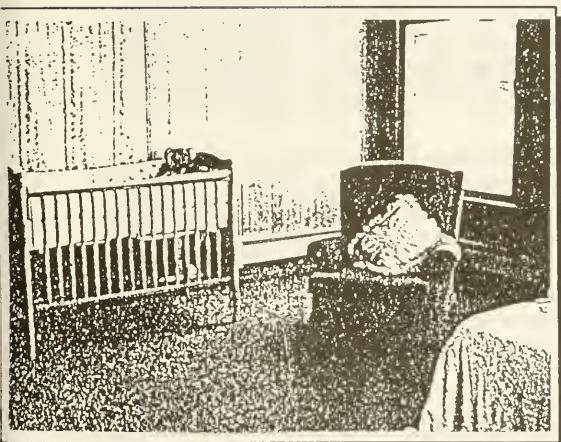


Ribbon Cutting Ceremony, November, 1994

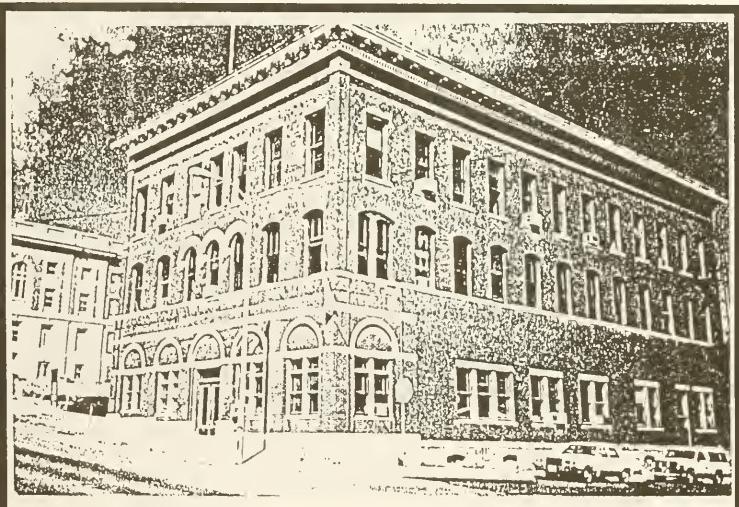
Congressman Pat Williams, Mayor Douglas Rauthe of Kalispell, and Bob Thomas, chairman of the MT Board of Housing, cutting the ribbon for the Courtyard affordable housing project.



HOMeward BOUND A TRANSITIONAL HOUSING PROGRAM



Homeward Bound is a transitional housing program in Butte, Montana which provides shelter and meals as well as comprehensive support services for homeless families and individuals. The project received FY93 HOME funds. The renovation/conversion activities focused primarily on bringing the structure up to local building codes, meeting ADA regulations, ensuring energy efficiency and abating hazardous materials (asbestos & lead).



MONTANA'S POVERTY AND HOMELESS NEEDS

Nationally, as well as in Montana, the social and economic problems of low income and homeless persons appear to be worsening. In Montana, as wage incomes have been falling, housing is becoming far less affordable. People are having a much more difficult time, being forced into lower income jobs, and increasingly are at risk of becoming homeless. This latter group suffers from continual poverty and deprivation.

In Montana, "poverty" is defined as a long term condition of being continuously poor. The term *poverty* does not imply merely a lack of money, but rather describes a situation where all kinds of resources necessary for suitable living arrangements are lacking. Those people who are severely poverty-stricken, lacking the mere necessities of life -- food and shelter -- are the homeless. The larger poverty problem cannot be solved simply by providing funds to those people who live below the poverty line. More must be done to change the community and the environment that continues to foster poverty including lack of employment, poor health, lack of medical insurance, etc.

A survey conducted by the U.S. Department of Commerce, Census Bureau indicates that nationwide poverty has declined to 14.5 percent of the population, down from 15.1 percent, based on a sample of 60,000 households. While this number may be valid for the nation, its pertinence and relevance to the state of Montana is highly questionable. In fact, concurrent with the rising cost of housing is the rising level of poverty in the state., Montana's poverty population was 124,853 in 1990, or 15.6 percent of the state's population. Recent examination of households and recipients receiving food stamps indicates that poverty may be surpassing the rate reported in 1990. Over the last six years, the number of average monthly households receiving food stamps in Montana has risen 5.5 percent per year.

Breaking the long-term cycle of poverty and homelessness cannot be accomplished solely by building more shelters, transitional facilities, or increasing welfare transfer funds. In addition to a lack of shelter, homelessness involves a variety of unmet physical, economic, and social needs. Homeless assistance is comprised of a wide array of services, tools, and opportunities for the homeless. A homelessness prevention component should help the homeless in stages by ushering them from an emergency and transitional shelter to permanent housing. True help involves enabling the poverty stricken and homeless to rely on themselves.

The following objectives have been identified to directly address the needs of the homeless:

- Assist persons requiring supportive and transitional services to achieve permanent housing;
- Assist in meeting the supportive services needs for the homeless;
- Assist in increasing capacity and counseling services for runaway youth;
- Assist in securing stable funding sources for existing homeless facilities and services; and
- Monitor impact of lowered Section 8 Fair Market Rents on homelessness.

All homeless program resources and proposed activities will be made available throughout the state, to the extent possible and according to public guidelines set forth by local, state, and federal agencies.

EMERGENCY SHELTER GRANT PROGRAM AVAILABLE TO HELP MEET HOMELESS NEEDS

The Emergency Shelter Grant (ESG) program, administered by the Family Assistance Division of the Montana Department of Public Health and Human Services, is designed to help improve the quality of existing emergency shelters for the homeless, make available additional shelters, meet the costs of operating shelters, and provide essential social services to help prevent homelessness. The grants are 100 percent funded by the U.S. Departments of Health and Human Services and Housing and Urban Development, and require a 50 percent match that can be considered "soft" (e.g., volunteer, other in-kind matches). According to federal law, 90 percent of funds received must be allocated to the 10 regional Human Resource Development Councils (HRDC's). The grants fund the renovation, rehabilitation, or operating costs of homeless shelters, and the provision of follow-up and long-term services to help homeless persons escape poverty. Shelters to be assisted and services to be delivered are determined by the individual HRDCs receiving the allocated funds. In relative terms, these funds are small in comparison to Montana's HOME and CDBG funding allocations.

An *Inventory of Facilities* was conducted in 1994 and provides an estimate of the number of emergency shelters, transitional housing for homeless persons, permanent housing for homeless persons with disabilities, and overnight sleeping capacity for each facility. Government surplus facilities that are currently unoccupied and available for possible use to assist the homeless are included as well. The inventory also presents a list of agencies that provide housing-related services (other than overnight housing) and includes things such as meal service, food assistance, clothing, shelter vouchers, or support services such as day shelters, work shelters, and counseling.

The following photographs depict some of the Montana transitional shelters that assist homeless, low-income individuals and families.



The Transitional Family Shelter located in Helena, MT has received Emergency Shelter Grant funds to purchase a new furnace and make other improvements to the facility.



Poverello Center\Joseph Residence - Transitional Housing for Homeless Families and Special Needs in Missoula, Montana; a joint funding effort between the U.S. Department of Housing and Urban Development - Emergency Shelter Grant (McKinney Act program), and the Poverello Center.



Poverello Center Emergency Drop-in Center for Homeless and Low Income Individuals and Families. The Poverello Center has regularly received assistance from the U.S. Department of Housing and Urban Development Emergency Shelter Grant Program.

ECONOMIC AND DEMOGRAPHIC PROFILE

During the past 22 years, there have been at least 10 separate reviews and studies of Montana's economy by various public agencies and private-sector consultants. The conclusions and recommendations that resulted from these studies are summarized in the economic development needs section of the Consolidated Plan. Each of these studies illuminates the difficulties and needs facing Montana's less well developed economic structure: under-investment in capital and public infrastructure in support of business, diminished business and employment opportunities, and under-funded fiscal and capital capacity. An update of Montana's economic condition is described in the economic profile of the Consolidated Plan, which was updated in an October 1995 report by Western Economic Services.

According to this report, Montana's economy is diversifying away from the traditional resource based industries of agriculture, mining, and resource manufacturing. Such diversification is occurring concurrently with the depletion of finite resources and constraints to extraction of renewable resources. Montana's margins in these industries continue to be pressured by changes at the national and global level in technology, communications, information management and consumer preferences. As a consequence, the state has seen a historical fluctuation with an overall decline beginning with an upturn in 1990. While traditional resource-based industries are not faring well, development is occurring in other economic sectors with greater opportunity and potential. New and emerging industries are rising in the traditional sector of manufacturing, and also in the service and retail sectors.

Since 1990, employment has expanded significantly. In addition, Montana's unemployment rate is falling, and began declining appreciably in 1990. More basic income is staying in the state. Goods and services previously imported are being produced inside the state more often, which translates into more activity per dollar of basic economic activity. The implications for this improvement, also most pronounced since 1990, is the emergence of a more developed business infrastructure. However, average wage rates have not yet experienced significant rises.

During the last four years, Montana's population has increased at some of the fastest rates seen in twenty-five years. From 1980 to 1990, there was an annual .1 percentage growth rate; from 1990 to 1994 the growth rate was 1.74. However, Montana's total population growth has been uneven throughout the state. The strongest growth areas are occurring in the western part of the state, such as Ravalli County where they have experienced an annual growth rate of 5.2 percent. This has placed significant pressure on the supply of affordable housing; the rate of growth in the housing stock is not matching the rate of growth in local communities. Areas in the more rural parts of the state such as Chouteau, Deer Lodge, Phillips, Prairie, and Sheridan Counties, are still undergoing population declines.

Economic conditions all across Montana have resulted in lower average real rates of pay over the last 10 to 15 years. Today, unemployment rates have eased somewhat, but employment worries persist. Census data documents rising levels of low income households, and vast sections of the state can be considered low income. Nearly 50 percent of all households reported incomes of less than \$22,500

in 1989. This is significantly lower than the national median family income, which was nearly \$36,000 in 1989. Over 80 percent of all Montana households are below the national median family income; and households receiving food stamps have shot up over the last five or six years.

Montana and its neighboring states of Idaho, North Dakota, South Dakota, and Wyoming have all experienced structural changes and stresses to their economies over the last fifteen years. Most of the states in the region appear to have put their past economic difficulties behind them through a determination to compete. However, the recent history of the region's economies should serve as an important reminder for Montana. When a state's economy depends too heavily upon only one or two economic sectors, downturns in those sectors can be devastating. Diversification helps to ensure the long-term health of a state economy.

The encouragement and support of economic development in local communities is essential to the health and continued growth of the state. CDBG will proceed with the following objectives:

- Allow local communities to identify their own needs and develop their own initiatives; and,
- Assist the businesses and communities in achieving prosperity.

CDBG, in concert with other state and federally funded programs, will take the following actions in the upcoming years:

- Encourage viable economic development projects that promote investment of private capital, diversification of industries, expansion of local tax bases, and creation of permanent, year-round jobs principally for low and moderate-income Montanans.
- Encourage projects what will involve basic economic activities, including manufacturing, import substitution activities, or the distribution of Montana-made goods.
- Encourage projects that involve the processing, refining, and marketing of Montana's natural resources.
- Continue to expend the annual CDBG ED allocation and access other sources of funds for maximum financial leverage.

PROGRAMS AVAILABLE TO MEET ECONOMIC DEVELOPMENT NEEDS

The economic development category of Montana's CDBG program is designed to stimulate economic development activity by assisting the private sector in order to create or retain jobs for low and moderate income persons. CDBG funds are intended to be used in situations where a funding gap exists and alternative sources of public and private financing are not adequate. The CDBG economic development program is designed to assist businesses by making appropriate long-term, fixed-rate financing available to them at reasonable interest rates, and by providing public improvements in support of economic development activities.

Typical eligible activities that fall within the CDBG economic development category include: land acquisition; public facilities and other improvements in support of economic development; loans for acquisition, construction, rehabilitation, or installation of commercial and industrial buildings, facilities, equipment, or working capital; employee training; and grants or loans from communities to nonprofit entities. Loan repayments by the assisted business are usually allowed to be retained by the local government to provide loans to other businesses within the community.

Numerous other programs and resources at the state, federal, local and private level are available to assist in meeting the economic development needs of Montana. A recent publication entitled *A Guide to Montana's Economic Development and Community Development Programs* is available from the Economic Development Division of MDOC. Within MDOC, the CDBG Economic and Development Program works in concert with many Economic Development Division programs, including Regional Development, Microbusiness Finance, Job Investment Loan Program, Business Location and Recruitment, International Trade, Small Business Development Center, along with MDOC's Montana Science and Technology Alliance, and the Board of Investments loan programs. These programs will continue to work with businesses to meet individual community's needs.



YELLOWSTONE COUNTY/ZOO MONTANA

A CDBG Economic Development grant to a non-profit organization to purchase equipment and tangible assets for the start-up activities in building a new zoo in Billings, MT. Other funding sources include Zoo Montana a Murdock grant.

**Osprey Boats, Belgrade, MT**

New facility for the manufacture of handcrafted drift boats. Project funding came from the following sources: CDBG (\$95,000), Private Investor (\$25,000), Owner Equity (\$20,000), First Citizen's Bank (\$50,000).

**Community Services Center, Anaconda, MT**

Renovation of old hospital to house a non-profit social services program in addition to other leased space for offices. Project funding came from the following sources: CDBG (\$140,000), EDA Grant (\$797,200), County and Local Development Corporation (\$157,800).



Kid Kart, Inc., Belgrade, MT

New facility for the manufacture of medical strollers for handicapped children. Project funding came from the following sources: CDBG (\$210,000), Other (\$423,000).



The Davidson Block, Anaconda, MT

Renovation of an historic downtown building to house a bed and breakfast and two other businesses.

INFRASTRUCTURE AND PUBLIC FACILITY DEVELOPMENT NEEDS

"Infrastructure" is defined as the collective, long-term investment by citizens in facilities and installations necessary to their safety and convenience. Examples include transportation facilities (roads and bridges), utilities (water, wastewater and solid waste disposal) and public protection (fire stations and jails). All elements of infrastructure require periodic maintenance, expansion, and/or replacement.

Maintaining community infrastructure in Montana presents a particularly great challenge because of the state's vast size and small population. There are not enough people to share all the costs of infrastructure needs in the state. It is therefore crucial to identify specific needs and costs, so that priorities can be established and funding sought.

During August and September, 1995, the firm of Western Economic Services of Portland, Oregon and Damschen and Associates of Helena conducted a statewide inventory and estimate of infrastructure needs of facilities managed by Montana local governments (including county water and sewer districts). The survey covered ten infrastructure categories: public water systems, wastewater systems, solid waste facilities, roads and streets, bridges, storm sewer treatment facilities, fire stations, police stations and law enforcement centers, jails, and handicapped accessibility for public facilities or buildings.

Public water systems are established so that communities may be provided with dependable, safe and convenient supplies of water for drinking, domestic uses, fire protection, and irrigation uses. Major components of water systems include supply (source), treatment, storage, pumping, and distribution facilities. Operating authorities typically consist of cities, towns and districts (counties). According to lists received from the Department of Environmental Quality (DEQ), there are 180 public water systems in the state. It is estimated that \$165 million is required to address the needs identified for Montana's water systems.

Wastewater systems, also known as sanitary sewer or sewage systems, convey and dispose of human and industrial waste, thus protecting the public from health hazards and nuisances. The primary components of wastewater systems are collection, pumping, and treatment facilities. Local operating authorities typically consist of cities, towns and districts (counties). Records obtained from the Department of Environmental Quality indicate that there are 191 public wastewater facilities in the state. Results of this analysis indicate a \$161 million need for improvements to wastewater facilities in Montana.

Solid waste facilities provide protection to human health and the environment by maintaining adequate management services for waste created by the general population. Components of solid waste facilities include collection, transfer, and disposal. Solid waste management is typically conducted by cities, counties, or private entities. Only needs of public entities such as towns, cities, and districts (counties) are covered in the Consolidated Plan. Based on information provided by the Waste Management Division of the DEQ, 105 public solid waste facilities are in operation. Solid waste facility needs totaling \$13 million have been quantified for Montana.

Roads and streets built to federal, state and local standards provide a safe and convenient method of travel essential to basic industry, business, recreation, and emergency transportation as well as many other uses. Local governments are responsible for construction, reconstruction, or rehabilitation of all public roads and streets not under the jurisdiction of the State of Montana or federal government. There are an estimated 2,780 miles of city streets and 60,813 miles of county roads in Montana. Improvement needs of \$1.0 billion have been identified to address the needs of these roads.

The Montana Department of Transportation has also identified 2,300 bridges in Montana greater than 20 feet in length of which 583 need repairs or replacement at an estimated cost of \$142 million.

At present, storm sewer treatment is needed only for communities with populations over 50,000. However, minimal treatment is already achieved in many facilities via detention ponds. Storm drainage for most small communities typically centers along the highway corridor that passes through town. This often includes some curb and gutter, with a few catch basins and collection piping. Storm drainage improvements are not considered high priorities in most small communities. Six storm drainage projects have been documented to date, at an estimated cost of \$31 million. It is likely that the actual needs for storm drainage facilities in Montana exceed \$100 million.

Fire stations provide not only a center for emergency vehicle and equipment storage but also a center for emergency personnel to gather and train. There are currently 344 fire departments in Montana with approximately 9600 fire fighters. Of these 9600, only about 400 are full-time, paid fire fighters. Montana is experiencing severe problems with its fire protection facilities due to its rapid population growth, particularly in remote, wooded areas that are difficult to service. The estimated cost of addressing Montana's fire station needs is \$35 million.

Police Stations and Law Enforcement Centers are integral to the public's protection. Central places are needed to dispatch emergency personnel and provide for working and training environments. Needs in the amount of \$42 million have been identified for these facilities.

Jails exist to protect the general public from real and perceived dangerous persons who pose a threat to society. Jails are used as holding facilities for persons awaiting hearings or trials and for prisoners sentenced to limited terms. Jail construction and operation standards are designed to protect society and afford constitutional rights to prisoners. These restrictions along with increasing operation and maintenance costs are tending to drive local entities towards plans for regionalization rather than construction of new jails. To address the identified needs for jails in Montana an estimated \$23 million is needed.

The American Disabilities Act was enacted in 1990. This act requires that all facilities or buildings must be accessible to the physically impaired. Examples of areas requiring modifications for accessibility are building entrances and exits, multiple floor levels, and restrooms. ADA requirements are enforced on a Federal level. At present, the dollars required to meet the needs for this infrastructure component cannot be quantified. The requirements are still new and not well-understood by public entities. Public awareness and enforcement will likely be required before actual needs are realized and can be quantified.

In summary, these ten infrastructure categories are estimated to require in excess of \$1.6 billion dollars for improvement and enhancement over the next several years.

Montana has begun the first step in identifying and solving the large and looming infrastructure problems within its boundaries by having the inventory of infrastructure needs completed in 1995.

Continued assessment and analysis will be covered in the following objectives and actions:

- Examine results of the recent infrastructure inventory and analysis; and,
- Identify resources available to address the needs.

PROGRAMS AVAILABLE TO MEET THE NEEDS OF INFRASTRUCTURE AND PUBLIC FACILITIES

In the public facility category CDBG and Treasure State Endowment Program (TSEP) funds have been used to upgrade or undertake the new construction of dozens of community water and sewer systems and other public facilities. During the last several years communities have also utilized the CDBG program to construct or rehabilitate senior citizen centers, centers for abused or runaway youth, and public nursing home facilities. The TSEP program was created by a vote of the people in 1992. Eligible TSEP projects include the construction or repair of drinking water systems, wastewater treatment, sanitary sewer or storm sewer systems, solid waste disposal systems, and bridges. In addition to the CDBG and TSEP programs, other programs that have played, and will continue to play, a significant role in meeting Montana's infrastructure needs are listed below:

Federal programs-

- Rural Economic and Community Development - United States Department of Agriculture - Water and Waste Disposal Loans and Grants;

State programs-

- Department of Commerce - Coal Board Grant and Loan Program
- Department of Commerce - Intermediate Term Capital Program (INTERCAP)
- Department of Environmental Quality - State Revolving Fund Loan Program
- Department of Natural Resources and Conservation - Renewable Resource Grant and Loan Program.

Over the last 12 years, 128 projects have been awarded for CDBG infrastructure assistance throughout the state.

CONCLUSION

In summary, the housing, homeless, economic development, and infrastructure needs in Montana are great. Federal funding from the CDBG, HOME and ESG programs are small, about \$11.8 million, in relation to the size of the state's needs. However, Montana has been successful in augmenting federal funds with state and private funding sources to help address the task of meeting the needs

identified in the CP. While present and past funding sources have made advances in meeting Montana's needs, considerable effort must continue to significantly address the problems.

The housing requirements of low- and moderate-income households, elderly Montanans, people with special needs and those that are homeless or at risk of becoming homeless continues to be a focused need throughout Montana. The size of the housing problem is large, estimated to exceed \$2.45 billion, when considering only the affordable housing shortage, abating lead based paint hazards, and remodeling units with incomplete kitchen and bathroom facilities.

The infrastructure problem facing Montana is also significant. The recent inventory and estimate of basic infrastructure needs in Montana is estimated at \$1.6 billion in local government managed facilities alone. This figure, however, does not include handicapped accessibility for public facilities or buildings.

Montana's affordability problems with both infrastructure and housing relate in part to the lower wage rates that dominate the state's economy. Because of lower wages, housing and infrastructure program expenditures made by or through MDOC have provided significant economic benefits to Montana. The total number of jobs created in 1994 was 1,043. In 1995, 1,614 jobs were created. Incomes generated were \$36.7 million and \$47.7 million, respectively. As a result of job creation efforts, it is estimated that nearly \$1 million in increased revenue is to be paid to the state in income taxes in 1995.

The problems facing Montana have accumulated over decades, and their resolution will probably take as many years to resolve. MDOC and the people of Montana share in the task of exploring creative approaches to expanding the supply of housing, improving existing housing conditions, eliminating homelessness, solving the infrastructure deficiencies, and increasing employment and the wage levels of Montana's employees. The State intends to move forward in securing and applying all federal, state, and private resources in resolving the state's housing, homeless, infrastructure, and economic development problems.

